

CONTRACT NO. AE – 102/2021-2022/HQ-C/W/43

FOR

**CONSTRUCTION OF MWINDI-NGORONGORO WATER SUPPLY PROJECT AND
EXTENSION OF MALONGO –MIGOMBANI TO NANG'AWANGA VILLAGE IN
MTWARA DISTRICT-MTWARA REGION**

BETWEEN

**RURAL WATER SUPPLY AND SANITATION AGENCY
(The Employer)**

AND

**M/S. POSH ALLIANCE LIMITED
(The Contractor)**

DECEMBER, 2021

FORM OF CONTRACT

This Contract is made the 29th day of December, 2021.

Between

The Rural Water Supply and Sanitation Agency (RUWASA), having its physical address at NBC Bank, Mazengo Branch, Kuu Road, P.O. Box 412, 40473 **DODOMA**, Tanzania (hereinafter called "**The Employer**") of the one part;

And

M/s. POSH ALLIANCE LIMITED, having its business address at P. O. Box 60366 **DAR ES SALAAM**, (hereinafter called "**the Contractor**") of the other part.

Both the Employer and the Contractor shall collectively and jointly be known as "**Parties**".

WHEREAS:

- (a) The Employer is a Government Agency established under the Water Supply and Sanitation Act No. 5 of 2019 which is responsible for development and sustainable management of rural water supply and sanitation projects and the provision of water supply and sanitation services in rural areas;
- (b) The Contractor is a class Five local Company registered under the Laws of Tanzania which is responsible for Civil works;
- (c) The Employer invited Tenders for Construction of Mwindi-Ngorongoro Water Supply Project and Extension of Malongo-Migombani to Nang'awanga Village in Mtwara District-Mtwara Region, Tender No. **AE – 102/2021-2022/HQ-C/W/43** under the terms and conditions set forth in this Contract; and
- (d) The Contractor having represented to the Employer that it has the required professional skills, expertise and technical resources, the Procuring Entity through the Letter of Notification of Award of Tender with Ref. No RUW/MTW/DA.130/258/014/149 awarded a Tender to the Contractor at the Contract sum of **Tanzania Shillings Eight Hundred Four Million Five Hundred Ninety Seven Thousand Two Hundred Sixty Two and ninety**

cents (Tshs 804,597,262.90) only VAT inclusive. (Hereinafter referred to as **"the Contract Price"**); and

(e) The execution of works shall be performed and completed for the period within **One Hundred and Twenty (120) days** (hereinafter called "Contract Period").

NOW THEREFORE the Parties hereby agree as follows:


1. In this contract, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
2. The following documents shall be deemed to form and be read and construed as an integral part to this contract, and shall be taken as complementary and mutually explanatory of one another but in the event of ambiguities, inconsistency or discrepancies within the Contract, the documents shall take precedence/prevail in the order set out below:
 - (a) Form of Contract;
 - (b) Special Conditions of Contract;
 - (c) General Conditions of Contract;
 - (d) Notification of Award of Tender;
 - (e) Letter of Acceptance;
 - (f) Price Schedule (BOQ);
 - (g) Anti – bribery Memorandum;
 - (h) Technical Specifications;
 - (i) Drawings; and
 - (j) APPENDICES
 - (i.) Forms of Securities;
 - (ii.) Registered Power of Attorney; and
 - (iii.) Minutes of Negotiation Meeting.
3. In consideration of the payments to be made by the Employer to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Employer to execute the proposed construction of Mwindi-Ngorongoro Water Supply Project and Extension of Malongo-Migombani to Nang'awanga Village in Mtwara District-Mtwara Region (hereinafter called **"the Works"**) and to remedy defects therein in conformity in all respects with the provisions of the Contract.
4. The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the works, the sum of **Tanzania Shillings Eight Hundred Four Million Five Hundred Ninety Seven Thousand Two Hundred**

Sixty Two and ninety cents (Tshs 804,597,262.90) only VAT inclusive, at the times and in the manner prescribed in this Contract.

5. The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects wherein the Contract Price in the following manner:
- (a) 15% Advance Payment; and
 - (b) The rest of the payments shall be made upon submission and Acceptance of Certificate and it shall be paid to the Contractor within twenty-eight (28) days after the date of the acceptance certificate by The Employer.
6. The Contract price shall be paid in **Tanzanian Shillings** as stipulated under Clause 20 of the SCC.
7. The contract shall be executed for the period of **One Hundred and Twenty (120) days** which shall immediately commence from the date of site handing over to the Contractor.

IN WITNESS whereof, the parties hereto have caused this Contract to be executed in accordance with their respective laws the day and year first above written.

FOR AND ON BEHALF OF THE EMPLOYER:

Signature: 

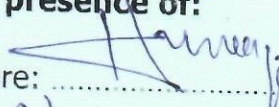
Name: PRIMY DAMAS SHIRIMA

Title: MTWARA REGIONAL MANAGER

Date: 29/12/2021

Seal: 

In the presence of:

Signature: 

Name: HAMU MASHINSIKE

Title: Dm

Date: 29/12/2021

FOR AND ON BEHALF OF THE CONTRACTOR:

Signature: H. Msechu

Name: HERBERT A. MSECHU

Title: Managing Director

Date: 29-DEC-2021

Seal:



In the presence of:

Signature: E. Luwoniche

Name: ELISABETH N. LUWONICHE

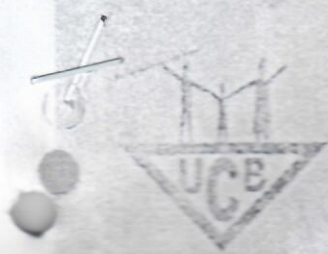
Title: PROJECT ENGINEER

Date: 29-DEC-2021

Seal:

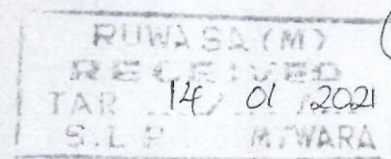


26.	61.1	The amount of advance payment shall be 15% of the Contract price and shall be paid to the contractor not later than 28 Days after submission of a claim supported by an acceptable Bank Guarantee of the same amount.
Monthly Recovery of Advance Payment: Not less than 20% of interim payments Certificate		
27.	62.1	The Performance Security shall be: Ten percent (10%) of the contract price. And it will be submitted to the Employer immediately after signing the contract in Certified Cheque, Bank Guarantee or Insurance Bond.
28	66.1	Contractor shall handover the site and the works to the Employer within 30 Days after Certificate of Completion.
A. Discharge of the Contract		
29.	68.1	As built drawings shall be supplied by the contractor by. Within sixty (60) days after practical completion date. Operating manual shall be supplied by the contractor by: Within 60 days after practical completion date.
30.	68.2	The amount to be withheld by the Project Manager in case the contractor does not submit as built drawings is: 2,000,000/- The amount to be withheld by the Project Manager in case the contractor does not submit operating manual is: 2,000,000/=
31.	69.2 (i)	Number of days for which the maximum amount of liquidated damages can be paid is: 100 days.
32.	70.1	The percentage to apply to the value of the work not completed, representing the Employer's additional cost for completing the Works, is 40% of the balance works.



UCHUMI COMMERCIAL BANK LIMITED

P.O.Box 7811 Tel. 027 275 0491 Fax. 027 275 0492 MOSHI. Email: ucb@uchumibank.com



REGIONAL MANAGER,
RURAL WATER SUPPLY AND SANITATION AGENCY (RUWASA),
P.O BOX 30,
MTWARA REGION.

14TH JANUARY 2022

ADVANCE PAYMENT GUARANTEE NO: UCB/ADV/POSH/196/03/22.

We have been informed that POSH ALLIANCE LIMITED (hereinafter called "the Contractor") has been awarded Contract No. AE-102/2021-2022/HQ-C/W/43 with you, for the execution of Construction of Mwindi - Ngorongoro water supply project and extension of Malongo-Migombani to Nang'wawanga Village in Mtwara District Mtwara Region (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum TZS.120,689,589/- (Tanzania shillings one hundred twenty million six hundred eighty nine thousand five hundred eighty nine shillings) only is to be made against an advance payment guarantee.

At the request of the Contractor, we UCHUMI COMMERCIAL BANK LIMITED hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of sum TZS.120,689,589/- (Tanzania shillings one hundred twenty million six hundred eighty nine thousand five hundred eighty nine shillings) upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor is in breach of its obligation under the Contract because the Contractor used the advance payment for purposes other than the costs of mobilization in respect of the Works.

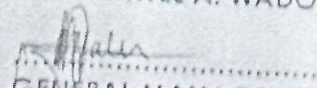
It is a condition for any claim and payment under this guarantee to be made that the advance payment referred to above must have been received by the Contractor on its account number 00120500102 with the name POSH ALLIANCE LIMITED at UCHUMI COMMERCIAL BANK, P.O BOX 7811, MOSHI.

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Contractor as indicated in copies of interim statements or payment certificates which shall be presented to us.

This guarantee shall expire, at least, upon our receipt of a copy of the interim payment certificate indicating that eighty (80) percent of the Contract Price has been certified for payment, or on the 13th day of May 2022, whichever is earlier. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

Yours truly,

MR. SAMWEL A. WADO



GENERAL MANAGER
UCHUMI COMMERCIAL BANK LIMITED
P.O. BOX 7811
MOSHI.

